

**MEMORANDUM TO THE NATIONAL TREASURY ON THE PROPOSED BUDGET
FOR FY 2022/2023 FOR THE ENVIRONMENTAL PROTECTION, WATER AND
NATURAL RESOURCES SECTOR.**

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Introduction

The Centre for Enhancing Democracy and Good Governance (CEDGG) is a grassroots civil society organization that works to empower vulnerable and marginalized citizens to claim their rights in local development and governance processes. CEDGG legally exists as a Non-Governmental Organization and has been in operation since the year 2001. Our program work extends to the counties of Nakuru, Baringo, Laikipia, Kericho, Elgeyo Marakwet, West Pokot and Turkana.

CEDGG hosts the Rift Valley Budget Hub which brings together Budget Facilitators¹ from 6 counties in the Rift Valley Region. This is a platform for budget practitioners in the region to build synergy in the county and national level budget engagement. It is also a platform for peer-to-peer learning on best practices in the budget processes.

This memorandum was prepared through comprehensive analysis of budgets and sector reports and deliberations involving civil society organizations, county government officials and media representatives from 6 counties². The analysis focused on the **Ministry of Water, Sanitation, and Irrigation** and covered 6 themes/ issues: *Budget Implementation, Equity, Budget Financing, Public Participation & Budget Transparency, Gender Mainstreaming and Emerging Issues.*

Why is our region interested in Water, Sanitation and Irrigation Ministry?

- Water is a key driver of sustainable growth and development and is quite literally a source of life and prosperity.

¹ These are individuals drawn from civil society organizations who have trained on budget content and advocacy and work with communities within their counties to engage with national and county budget processes to improve their livelihoods.

² Baringo, Nakuru, Elgeyo Marakwet, West Pokot, Bomet and Kericho

2. **Equity:** The EWNR Sector Report for the MTEF period 2022/23 -2024/25, indicates that 1.86 Million people have been connected to clean safe and adequate water through completion of various water projects. However, the sector report does not provide details on where these people are. Generally, there is still poor access to water across counties in the North rift region. According to the KNBS Census 2019, less than 50% of households in the North Rift Region have access to improved sources of water, compared to the national average of 65%. Baringo County has 35%, West Pokot 31%, Elgeyo Marakwet 43% and Bomet 39% .This is also way lower than counties such as Kiambu, Nyeri, Bungoma and Nairobi where over 80% of households access clean, safe and adequate water. More inequality manifestations on water are visible as we move to sub-counties and wards. For example, in Tiaty sub-county in Baringo County only 11% of the households have access to improved sources of water and within the sub-county there are wards such as Silale and Tirioko where less than 5% of the residents access clean water. County Governments attempt to redress these inequalities have been hampered by inadequate financial and technical capacities.

Therefore, the Ministry of Water, Sanitation and Irrigation should put in place deliberate mechanisms to promote equity in access to water. Identification of new projects should be informed by up to date data on access to water.

3. **Budget Transparency:** Generally, the sector Key Performance Indicators in the sector report put a lot of emphasis on completion rates of infrastructure projects as opposed to the contribution to improved access to clean, safe and adequate water

While sector report details the status of all projects implemented by the Ministry of Water, Sanitation and Irrigation, the budget lines implemented by the semi-autonomous government agencies have largely been opaque. For example: The Central Rift Valley Water Works Development Agency has broad programmes such as *Rehabilitation of Rural Water Supply Projects* and *Kenya Towns Sustainable Water Supply and Sanitation Programme* (on page 80 of the EWNR Sector Report 2021) which have been allocated resources continuously but do not provide details on *the location of the specific projects and the criteria for selection*. Our recent attempts to seek more information regarding the specific activities of the agency have not been successful.

Therefore we implore upon the sector and all MDAs to adhere to the programme based budget and provide details of all budget-lines to facilitate oversight by members of the public. For example, for all development projects, there should be details on the *specific location of the project, the amount allocated, the scope of work (and current status for ongoing project), the target number of beneficiaries and justifications for selection*.

4. **Water Sector Budget Financing:** Over the last 3 financial years, the Ministry of Water & Sanitation and Irrigation has had half of development funding dependent on donor grants and mostly loans. The Budget Review and Outlook Paper (BROP) 2021 and the sector report have cited this as contributing slow budget implementation. The situation is likely get worse due to the economic effects of COVID-19 and shifting donor priorities.

Therefore, the Rift Valley Budget Hub recommends that all MDAs should strengthen feasibility studies and implement the recommendation before and during implementation of the Water infrastructure projects. Even as we find sustainable solutions to climate change, part of the disaster response should be to reconnect the affected communities to clean and safe sources of water.

The implication of 2022 General elections on completion of on-going water projects – The resource demand for the 2022 elections may mean reduction in allocations to key sectors including EWNR. The implication of this may include delayed completion of on-going projects and continued stalling of those already stalled. In addition, with the expected transitions especially in counties, would the present priorities remain the same? There have been cases in previous elections where change of regimes has led to white elephants across sectors. **Therefore, there is need to put in place transition mechanisms to ensure all on-going water projects by both county and national governments and the various agencies are completed.**

SECTION TWO: DETAILED ANALYSIS OF THE ISSUES

1. BUDGET IMPLEMENTATION:

As seen in Table 1 below, the Sector has registered an improvement in Budget Absorption. Our attention is drawn to the Programme on Water and Sewerage Infrastructure Development which absorbed up to 98% of its budget compared to 80% and 81% in the FY 2019/20 and FY 2020/21 respectively. However analysis of the sector report shows that the impact of the projects or components of projects completed is yet to be felt by the target communities. The report further says that there has only been 3% increase in the number of people with access to clean, safe and adequate water in the last 3 years.

Table 2: Analysis of completion rates of key water projects in the Rift Valley Region

Project	Total Project Budget	Completion timeline	Status per sector Report 2021	Target completion for 2022/23	Expenditure as at June 2021 (Ksh.)	Key observation at the project site in the month of October 2021.
Rehabilitation of water and sanitation – Kirandich Phase II	1,985,000,000	December 2023	15%	55%	594,000,000	There are no activities observed at the project site According to technical officers on site, the slow pace is attributed to land acquisition processes and change of contractor at the onset of the project. Previous Sector Report (2020) had indicated December 2019 as the expected completion date. The shift to 2023 is a worrisome trend. Further, it is not conceivable how within one year, the project would move from 55% to 100% completion.
Chemususu Dam	3,500,000,000	Dec 2021	89%	100%	2,625,000,000	In the last six months, there were heightened activities around the project site towards completion which later stopped. The project timeline has been changed from June 2020 to December 2021
Saimo-Soi Water Supply Project	20,010,000,000	Dec 2023	3%	100%	28,000,000	Beyond the project design visits, no activities have been observed by citizens at the project site.

Itare Dam	35,000,000,000	April 2024		27%	11,284,000	According to the sector Report 2021, the project implementation has temporarily been stopped and remains at 27% complete since September 2018 due to contractual issues. The contract was terminated on 4 th February 2020 and handing over is ongoing.
Muruny-Siyoi Water Project	9,800,000,000	March 2023	61%	100%	8,290,000,000	2020 sector report had indicated June 2020 as the completion timeline The project is in progress though the implementation is very slow. The 2021 sector report shifts the implementation timeline by one year- from March 2022 to March 2023

Source: *Environment Protection, Water and National Resources sector report October 2021 and physical verification visits by community budget champions.*

Our Key Asks on Budget Implementation:

1. The Ministry of Water, Sanitation and Irrigation should prioritize completion of ongoing water projects.
2. There should be a caveat on commencement of new water projects limited to strategic projects in water scarce locations which should be allocated adequate funds to cater for speedy completion.
3. The Ministry of Water, Sanitation and Irrigation should strengthen feasibility studies and implementation of the resultant recommendations to mitigate social, technical and financial challenges during implementation.

2. EQUITY:

Generally, there is still poor access to water across counties in the North rift region. According to the KNBS Census 2019, less than 50% of households in the North Rift Region have access to improved sources of water, compared to the national average of 65%. This is also way lower than counties such as Kiambu, Nyeri, Bungoma and Nairobi where over 80% of households access clean, safe and adequate water.

More inequality manifestations on water are visible as we move to sub-counties and wards. For example, in Tiaty sub-county in Baringo County, only 11% of the households have access to improved sources of water and within the sub-county there are wards such as Silale and Tirioko where less than 5% of the residents accessing clean water. County Governments attempt to redress these inequalities have been hampered by inadequate financial and technical capacities.

Table 3: Analysis of water access by county and sub-county

County	% of Households Access	Sub counties (Highest and Lowest levels)	County Government Efforts
Baringo	35%	Eldama Ravine- 62% Tiaty -11%	Baringo County has prioritized water over the last 5 years The County Government has acquired a drilling rig to fast-track drilling of boreholes in water scarce locations.
Elgeyo Marakwet	43%	Keiyo South- 83% Marakwet East -36%	Elgeyo Marakwet Developed a law on equitable development and water has been a key priority for budget allocation.
Bomet	39%	Konoin- 54% Bomet East 32%	The County Government prioritizes water
West Pokot	31%	Pokot North- 34.4 Pokot Central- 27.4	The County Government has continually allocated funds for sinking and repair of boreholes in all the 20 wards.

Source: KNBS Census 2019

Inadequate funds: Efforts by counties to redress the inequalities has been hampered by inadequate funds. For instance, the County resource envelope for Elgeyo Marakwet has been too small in a manner that when the formula for equitable distribution is applied, the amounts allocated are too small to bring about the intended impact. As such residents of Kapyego, Embobot/Embolot, Sambirir and Endo wards in Marakwet East continue to allocate their ward development budgets to water projects within their wards, but the allocations are not sufficient to bridge the large gap in access to water.

Inadequate technical capacities within county level water departments: While citizens continue to prioritize water projects in their communities, the number of technical staff has been too small to design, implement and supervise the water projects. In Baringo County for example, there only 2 water engineers who are expected to oversee the work across the county. The number of water projects that require repair, maintenance and upgrading within the counties overwhelms the available technical staff.

Low public participation: Generally there is very low public participation in the National Budget process. Apart from residents of Nairobi and few groups who have access to digital mechanisms of presenting their views, a big population is left out of the processes. Even where there are regional and county-based national government institutions e.g. Water Works Development Agencies, there are no clear (widely-known) mechanisms for engaging citizens in formulating, implementing and evaluating their budgets. Even for interactions that happen at the project site, they have been marred by non-disclosure of critical information including but not limited to Environmental Impact Assessments especially social impacts and mitigation measures.

Re-centralizing public participation: Citizens and Civil Society Organizations in the grassroots are eager to engage in the National Budget process but they lack platforms to do so.

Our Key Asks:

1. The EWNR sector should publish more details in line with the global standards for open budgets.
2. Regional water bodies should to involve citizens in conceptualization of budget priorities. There is also need to integrate public participation at all stages of project management.
3. The National Treasury should facilitate public consultations at the devolved units. Treasury should consider partnering with County Governments and civil society to seek views on the national budget during the county government-led public participation forums.

4. BUDGET FINANCING:

Over-reliance of donor grants: For the last 3 years, the Ministry of Water, Sanitation and Irrigation has had half of its funding dependent on A-I-A i.e. Half of the development budget is expected to come from donors/ loans. The Budget Review and Outlook Paper 2021, cited this as a contributing factor to underperformance (see figure 1). Indeed, delay in several water infrastructure projects has been attributed to non-disbursement of loans.

Table 4: Analysis of major sources of funding for the ministry of water and irrigation in the FY 2020/20 & 2021/22

Source of Funding	Budget Estimates 2020/21 Amount (Ksh.)	% of the total budget 2020/21	Budget Estimates 2021/22 Amount (Ksh.)	% of the total budget 2021/22
Net Estimates (Internal sources)	35,055,506,797	50.24%	33,570,000,000	47%
Grants	1,680,000,000	2.41 %	1,433,000,000	2%
Loans	33,042,328,086	47.35 %	36,880,000,000	51%
Total	69,777, 834,883	100%	71,883,000,000	100%

Source: Budget Estimates FY 2020/2021 and Budget Estimate 2021/2022

Key Asks:

1. The Ministry of Water, Sanitation and Irrigation should adopt gender responsive budgeting by providing the gender disaggregated data on the beneficiaries of water services.
2. Water agencies should develop integrated community engagement strategies that take into account participation of both men and women in decision making and management of water projects

6. EMERGING ISSUES:

Sustainability of Infrastructure Projects: Some infrastructure projects have been developed through loans obtained from development partners and are to be repaid by the Water Service Providers in respective County governments. According to the Sector Report, County Governments have not been remitting revenues collected from these infrastructure projects within the Counties. *What is the Ministry doing to address this?*

Cases of Human Rights violations resulting from mismanagement of water projects – a case in point is in Kuresoi North Sub-County where the incomplete Itare Dam is situated. The community reported cases of forced evictions without compensation as well as sudden dismissal and non-payment of dues for those who were employed at the dam. This should be mitigated as a matter of urgency.

General Loss of livelihood/ reduced standards of living resulting from stalled and incomplete projects among communities: This has been manifested through continued limited access to water, increased rate of unemployment, increased levels of insecurity, family breakups and increased cases of school drop-outs/teen pregnancies/ early marriages.

Climate change sensitivity - The effects of climate change and extreme weather conditions continue to threaten sustainable development and impacts negatively on the sector. Floods and droughts affect food production, water supply, housing access, livestock production, mineral exploration and the general livelihoods of the people in the NOREB region. Cyclic floods and drought with devastating results are commonplace here. While we appreciate that the environment subsector is at the centre of climate change and related issues, it is important that it is mainstreamed in all development projects. For the case of water, such issues as conservation of watersheds, catchment areas and river-lines should be part of the feasibility concerns of projects such as dams.

The implication of 2022 General elections on completion of on-going water projects – The resource demand for the 2022 elections may mean reduction in allocations to key sectors including EWNR. The implication of this may include delayed completion of on-going projects and continued stalling of those already stalled. In addition, with the expected transitions especially in counties, would the present priorities remain the same? There have been cases in previous elections where change of regimes has led to white elephants across sectors. Therefore, there is need to put in place transition mechanisms to ensure all on-going water projects by both county and national governments and the various agencies are completed.

ANNEX 1: LIST OF BUDGET FACILITATORS IN THE RIFT VALLEY BUDGET HUB

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